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Unified Accounting Methods for Industrials. By CLINTON E. WOODS. New York: The Ronald Press, 1917. 8vo. pp. xvi+484. \$5.00.

Mr. Woods's book is hampered somewhat by the fact that it is intended for "three classes of individuals: the executive, the engineer, and the accountant," and must attempt, in consequence, to be neither too elementary nor too technical. The field which it covers is broad, and there is nowhere a clean-cut statement of its central purpose. In the main it is an effort to demonstrate the value of unified accounting "as a controlling medium in connection with finances, inventories, investments, etc." (p. 25), when the operations of the business have been so systematized as to be properly co-ordinate with some accounting system.

In general the material is grouped into two main headings: organization, or systematization, and accounting proper. A limitation of both types of discussion is the fact that the author is evidently accustomed to very large plants manufacturing under a departmental system where the lot sizes are large and where the control is not very intensive—industries which are interrupted rather than continuous. Coupled with this is a neglect to recognize that very different types of industry exist, requiring very different control plans. For example, the "tracing" system advocated (pp. 170-72) does not permit a full control of materials between operations. Under complex conditions of jobshop departmental manufacturing, the method (if we understand the somewhat involved explanation) of determining available material (pp. 75-78) does not provide for immediate reservation of stores against accepted orders. Proper control of materials in transit and prompt facilitation of the movement of these materials is not provided for. The "central control" of equipment advocated (p. 234) is also loose. "Labor control" is of the same character (pp. 178-83). Only one method of collecting costs is mentioned—a production-order method; and only one basis for distributing costs is given—a direct labor *pro rata*. This limitation of the discussion to a particular type of industry would not be a defect if it were made more frankly, if the author seemed to recognize the existence of different types, with different problems to be solved.

Perhaps the most serious criticism of the industrial sections of the book should be made in connection with the labor relations. The open advocacy of a "pace-making department" to determine among other things "ultimate capacity" (p. 117); the cutting down of expenditure for labor (p. 118); the advocacy of time study with no adequate warning concerning necessary preliminary standardization (p. 145); the inadequate statement of the relation of the training of men to labor turnover (pp. 19, 23, 146); the incomplete statement of rate-making (pp. 148-202)

—all these give the book an unfortunate flavor on the human side, which might lead to misunderstanding of the position of the best thinkers in the field of industrial engineering.

Although he expressly states that accounting is to be regarded as an instrument of executive control, the author seems at times to entertain a curiously absolutistic point of view regarding it. There is frequently an insufficient distinction between principle and device. His summary on page 330 of what amounts to standard inventory practice is worthless as an arbitrary rule for all industries. In another place (p. 225) he says: "It must be borne in mind that the important and real purpose in connection with the ascertaining and distribution of overheads is to show their percentage or hourly basis relation to the amount of productive or direct labor employed." Such a comparison may have very great or very little significance. Absolutism of this sort is responsible for the arbitrary and ironclad cost systems which so often give a false sense of security to manufacturers. It is part of a general tendency to confuse principles with facts, or even, at times, with unsubstantiated industrial gossip.

Perhaps the most striking feature of the book is the great number of accounting forms of various types. These are segregated (pp. 340-66), but are all carefully tied up with the text by means of a numerical index. Flexibility is in this way secured and the text is left agreeably free from interruption.

The presentation of material within the chapters could be made more effective by a set of sectional headings more literally descriptive of the text and presenting a more logical appearance by a happier choice of type. The last chapter of the book might well be replaced by a summary in which the balance sheet is used as a device for rounding out the main argument of the book.

The value of this book must be estimated in terms of the use to which it is to be put. It is dangerous for the student because of its absolutistic character. For the average manufacturer it would appear to be very difficult reading, most of the principles of accounting being taken for granted. The true field of the book would appear to be among financial accountants who desire a general introduction to cost accounting, and to students who already have a general grounding in cost accounting and financial accounting methods. There is great need for reliable and basic information on cost methods and principles, and Mr. Woods is in a position to give us much that is valuable. It is greatly to be hoped that he will give us a new edition in which the mechanical features may be arranged in such fashion that the central principles stand out clearly.

F. M. S.